## Message Text

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PAGE 01 STATE 057179 ORIGIN EB-08

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E.O. 11652: N/A

TAGS: EAIR,IR

SUBJECT: CIVAIR: GOI OBJECTION TO PAN AM SUMMER SCHEDULE

REF: (A) TEHRAN 2121 (B) TEHRAN 1739

1. EMBASSY REQUESTED DELIVER NOTE ALONG FOLLOWING LINES TO GOI: QUOTE...REFERS TO FOREIGN MINISTRY NOTE NUMBER 15729/18 DATED MARCH 3, 1977 OBJECTING UNDER PARAGRAPHS 1 AND 2 OF THE CAPACITY PROCEDURES ANNEX TO THE AIR TRANSPORT AGREEMENT, TO PAN AMERICAN WORLD AIRWAYS' SUMMER 1977 SCHEDULE (EMBASSY NOTE NO.103 DATED FEBRUARY 23, 1977) BECAUSE OF ALLEGED UNJUSTIFIED INCREASES IN CAPACITY.

QUOTE THE UNITED STATES GOVERNMENT NOTES THAT IRAN AIR'S PARTIAL SCHEDULE (FOREIGN MINISTRY NOTE NO. 14603/18 DATED FEBRUARY 24, 1977) CALLS FOR A 12 PERCENT INCREASE IN LIMITED OFFICIAL USE

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CAPACITY OVER THE CURRENT LEVELS FOR THE SHOULDER SEASON. BASED ON PAST TRAFFIC PATTERNS, THIS INCREASE APPEARS TO FALL WITHIN THE TERMS OF THE AGREEMENT, AND, THEREFORE, THE UNITED STATES GOVERNMENT WILL NOT OBJECT TO IT.

QUOTE AFTER A CAREFUL ANALYSIS OF THE CURRENT AND PROJECTED MARKET FOR AIR SERVICE BETWEEN IRAN, THE UNITED

STATES AND THIRD COUNTRIES, THE UNITED STATES GOVERNMENT CONCLUDED THAT PAN AMERICAN'S PROPOSED SCHEDULE WAS REASONABLE AND JUSTIFIED BY TRAFFIC LEVELS. THEREFORE, THE UNITED STATES GOVERNMENT WAS DISAPPOINTED BY A FURTHER INSTANCE OF THE GOVERNMENT OF IRAN'S RELUCTANCE TO ACCEPT A REASONABLE MODUS VIVENDI OF INCREASED SERVICE BY BOTH SIDES WHICH IS JUSTIFIED BY THE AVAILABLE TRAFFIC AND IS OF MUTUAL BENEFIT.

QUOTE THE UNITED STATES GOVERNMENT RECOGNIZES THAT PARAGRAPH 1 AND 2 OF THE CAPACITY PROCEDURES ANNEX TO THE AIR TRANSPORT AGREEMENT STIPULATE THAT A CONTRACTING PARTY MAY CALL FOR CONSULTATIONS IF IT BELIEVES THAT A SCHEDULED INCREASE IN CAPACITY IS NOT JUSTIFIED. THE UNITED STATES GOVERNMENT IS FIRMLY CONVINCED THAT THE CAPACITY PROVISIONS OF ARTICLE 8 OF THE AIR TRANSPORT AGREEMENT HAVE BEEN FULLY MET BY THE US DESIGNATED AIR-LINE IN THIS INSTANCE. THEREFORE, IF THE GOVERNMENT OF IRAN CONTINUES TO HOLD TO ITS CURRENT POSITION, CONSUL-TATIONS ARE UNLIKELY TO REACH AGREEMENT. THUS, THE UNITED STATES GOVERNMENT IS WILLING TO TAKE NOTE OF THE GOVERNMENT OF IRAN'S OBJECTIONS UNDER PARAGRAPHS 1 AND 2 OF THE CAPACITY PROCEDURES ANNEX BUT SUGGESTS, THAT IN VIEW OF THE INEVITABLE OUTCOME OF THE REQUESTED CONSULTATIONS, THAT SUCH CONSULTATIONS BE POSTPONED UNTIL SIX MONTHS AFTER THE CURRENT SCHEDULE FILING HAS GONE INTO EFFECT. IT WOULD APPEAR REASONABLE TO DELAY CON-SULTATIONS UNTIL THEN SINCE IRAN AIR'S FULL SCHEDULES HAVE NOT BEEN SUBMITTED AND ANY ANALYSIS OF BOTH SCHEDULES LIMITED OFFICIAL USE

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SHOULD WAIT FOR THE EXPERIENCE FACTOR TO BE CONSIDERED. END QUOTE

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## Message Attributes

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